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## **NEWS RELEASE**

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### **DE LA FUENTE SETTLEMENT TALKS BREAK DOWN** *AIG, City's Insurer Derails Negotiations*

**San Diego, CA:** The multi-million dollar case involving developer Roque de la Fuente is headed back to the State Court of Appeal after settlement talks between representatives of de la Fuente's Border Business Park and attorneys for the City of San Diego broke down. The break down occurred when American International Group (AIG), the City's insurer, refused to fund any City settlement offer in full. AIG has also indicated their reluctance to pay even part of a settlement.

According to the City's outside legal counsel Kristine Wilkes, from the law firm of Latham and Watkins, last January a federal appellate court ruled that the City is entitled to be reimbursed by AIG for fees paid outside counsel in defending the matter. With interest, the judgment against the City now exceeds \$110 million. While interest accumulates daily, the appeal will probably not be heard for at least six months.

The original verdict against the City in January 2001, was for \$94.5 million in damages. That verdict was reduced after trial by nearly \$30 million.

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